



DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERE-RP (405)

27 July 1993

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Eligibility of Homes Under Homeowners
Assistance Program (HAP) - Policy Memorandum 93-5

1. The provisions of Public Law 89-754, as amended, codified at 42 U.S.C., Section 3374(f), give the Secretary of Defense wide latitude in prescribing the regulations and conditions acceptable for the payment of benefits under HAP.
2. We have always acquired all eligible dwellings, regardless of condition. However, due to problems encountered by some Districts acquiring homes which are unsalable at any price, or uninhabitable due to physical conditions, we are placing restrictions on the eligibility of dwellings. In some instances, owners have removed appliances or equipment after an appraisal has established the current fair market value of the dwelling.
3. Accordingly, Districts may now decide to forego the acquisition of dwellings where the owner/occupant has deliberately allowed the dwelling to deteriorate to the point beyond normal wear and tear. This policy will call for judgement on the part of the District personnel and should be well documented. As always, we should try to give the benefit of any doubts to the applicants, but where it is clear they have abused the property, we should find them responsible. Applicants should be given the opportunity to rectify any deficiencies and continue in the program.
4. Additionally, in the resale of homes, if it becomes necessary to perform some maintenance or repair in order to make the homes more appealing, Districts are authorized to do so. A limit of no more than 10% of the fair market value should be allocated to these repairs or cosmetic upgrades. District personnel must use good judgement to decide whether or not it is cost effective to spend the money for upgrades as opposed to

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carrying charges for homes in their inventory. Some items, such as new paint, are inexpensive and may facilitate a sale.

FOR THE DIRECTOR:



DON C. CHAPMAN
Chief, Realty Services
Division
Directorate of Real Estate

DISTRIBUTION:

COMMANDER
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